

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION**

February 13, 2018

The Nueces County Hospital District Board of Managers met in **REGULAR SESSION** in the NCHD Board Room at 555 N. Carancahua, Suite 950-A, Corpus Christi, TX on Tuesday, February 13, 2018 at 12:15 p.m.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp, Administrator/CEO
Dena B. Bruni, Assistant Administrator, Administrative Services
Donna Littlefield, Director, Accounting & Finance
Wm. DeWitt Alsup, Attorney, Alsup Law Firm
Catherine Heller, Nueces County Assistant Attorney
Sara G. Lopez, Administrative Specialist
Carmen H. Ramos, Administrative Assistant

OTHER(S) PRESENT:

Mike Pusley, Nueces County Commissioner, Pct. 1
Melissa Butler, HCA
Brigid Cook, CPA, Shareholder, Collier Johnson & Woods, PC, Auditing Firm
Ann M. Field, Collier Johnson & Woods, PC, Auditing Firm
Alexis Mays, Christus Spohn Health System
Julie Garcia, Reporter, Corpus Christi Caller Times
Barbara Canales, Local Attorney

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1. **Call to Order** - Mr. Huseman, Chairman
The meeting was called to order by Mr. Huseman at 12:16 p.m.
 2. **Establishment of Quorum** - Mr. Huseman
A quorum was present with five members in attendance.

Van Huseman, Chairman - PRESENT
Rodney J. Hart, Member - PRESENT
John E. Valls, Member - PRESENT
Ted Daniel, Member - PRESENT
Sylvia Tryon-Oliver, Member - PRESENT

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

Claude "Cal" Jennings, Vice Chair - **ABSENT**
Robert N. Corrigan, Member - **ABSENT**

3. **PUBLIC COMMENT:**

None requested. Copy of "Request to Speak Sign-In Sheet" is attached hereto for information.

4. **CONSENT AGENDA:**

On motion by Mr. Hart, seconded by Mr. Valls, the Board of Managers voted to accept, adopt, amend, approve, authorize(s) and/or ratify/ratifies the following consent agenda items: A.1-3 thru J.1-2 - **MOTION CARRIED.**

A. Approve minutes of Board of Managers meetings:

- 1) Regular Meeting of June 20, 2017; and
- 2) Special Meetings of September 8, 2017, October 13, 2017 and November 20, 2017.

B. Received listing of new vendors as of January 26, 2018 pursuant to Board of Managers Bylaws, §2.1.B and Texas Local Government Code, Chapter 176.

Copy of complete list of vendors as of January 26, 2018 is attached hereto for information and made a part of these minutes.

C. Received hospital providers' quarterly report relating to certain Indigent Care Affiliation Agreements associated with participation in the Texas Healthcare Transformation and Quality Improvement Program Medicaid 1115 Waiver for the calendar quarters ended June 30, and September 30, 2017:

- a) CHRISTUS Spohn Health System Corporation Hospitals (Joint Report): Alice, Beeville, and Kleberg;
- b) Corpus Christi Medical Center;
- c) DeTar Healthcare System; and

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

- d) Driscoll Children's Hospital.

Copies of the abovementioned reports are attached hereto and made a part of these minutes.

- D. Receive information on Administrator's appointment by the Texas Conference of Urban Counties to the Tobacco Settlement Permanent Trust Account Administration Advisory Committee for a additional six-year term expiring August 31, 2023.

Copies of letters dated September 11, 2017 from the Texas Conference of Urban Counties are attached hereto for information and made a part of these minutes.

- E. Received revenue reports relating to CHRISTUS Spohn Health System Corporation Membership Agreement:

- 1) Fiscal year ended September 30, 2017; and
- 2) Current fiscal year-to-date.

Copies of both revenue reports are attached hereto for information and made a part of these minutes.

- F. Receive summary information on medical and hospital care provided to the Nueces Aid population consistent with the CHRISTUS Spohn Health System Corporation Membership Agreement for Calendar year ended December 31, 2017.

Copy of Nueces County Hospital District Imputed Claims Experience for Calendar Year 2017 As if Adjudicated January 1, 2017 through December 31, 2017 is attached hereto for information and made a part of these minutes.

- G. Received summary payment information for fiscal year ended September 30, 2017 and current fiscal year-to-date:

- 1) Medical services at Nueces County juvenile detention facility;
- 2) Emergency medical services in unincorporated areas of Nueces county;

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

- 3) Supplemental funding for Behavioral Health Center of Nueces County;
and
- 4) Salaries, benefits, and supplies at Corpus Christi/Nueces County Public Health Department.

Copy of summary payment information is attached hereto information and made a part of these minutes

- H. Received summary report of intergovernmental transfers made in support of local and other healthcare providers participating in Medicaid supplemental payment programs sponsored by the Texas Health and Human Commission for fiscal year-to-date:

- 1) Texas Healthcare Transformation and Quality Improvement Program (Medicaid 1115 Waiver):
 - 1) Hospital Uncompensated Care (UC) pool; and
 - 2) Delivery System Reform Incentive Payment (DSRIP) pool;
- 2) Disproportionate Share Hospitals (DSH) program;
- 3) Network Access Improvement Program (NAIP); and
- 4) Uniform Hospital Rate Increase Program (UHRIP).

Copy of detailed Nueces County Hospital District 1115 Waiver Program Intergovernmental Transfer Activity report is attached hereto and made a part of these minutes.

- I. Received monthly statement of escrow amounts deposited and/or withdrawn by CHRISTUS Spohn Health System Corporation; deposits pursuant to and consistent with Section 3.9.7 of Amended and Restated Schedule 1 to Spohn Membership Agreement, a schedule to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, and Attachment B, Paragraph 9 of Amended and Restated Memorandum of Understanding; receive statements for the month December 2017.

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

Copy of Bank of America Merrill Lynch statement of investment for the period of December 1, 2017 through December 31, 2017 is attached hereto and made a part of these minutes.

- J. Ratify Administrator's actions performed as part of duties directing by the affairs of the District and/or as required by the Board of Managers; duties established pursuant to Texas Health and Safety Code, §281.026(e):

- 1) Engagement of Collier, Johnson, & Woods, P.C. Certified Public Accountants to perform an audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining funds information of the for the fiscal year ended September 30, 2017.

Copy of Engagement Letter dated September 5, 2017 from Collier, Johnson & Woods, P.C., is attached hereto and made a part of these minutes.

5. **REGULAR AGENDA:**

A. **Board Chairman:**

- 1) **Appoint new Board of Managers members to Standing Board Committee Sylvia Tryon-Oliver to Planning Committee, appointment pursuant to Board of Managers Bylaws, Article 2, §2.5A - ACTION**

On motion by Mr. Hart, seconded by Mr. Valls, the Board of Managers voted to appoint Ms. Tryon-Oliver as a new member of the Planning Committee. **MOTION CARRIED.**

B. **Finance Matters:**

- 1) **Receive and approve Annual Financial Report from Collier, Johnson, & Woods, P.C., Certified Public Accountants on Nueces County Hospital District's governmental activities financial statements, major funds and aggregate remaining funds for fiscal year ended September 30, 2017 - ACTION**

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

Ms. Cook presented the independent auditor's annual financial report for the Nueces County Hospital District's fiscal year ended September 30, 2017. She reported a successful audit with a clean opinion and did not identify any deficiencies in internal controls over financial reporting.

After a brief presentation of the independent auditor's report, the Board of Managers accepted the auditor's report from Collier, Johnson & Woods, P.C., as presented.

An original of the audited financial statement/report for fiscal year ended September 30, 2017, and its highlights are attached hereto for information and made a part of these minutes.

2) **Received and approved unaudited financial statements for the month and fiscal year-to-date periods ended May 31, - December 31, 2017 - ACTION**

The Board of Managers received the unaudited financial statements for the month and fiscal year-to-date periods ended May 31, through December 31, 2017.

Copies of the unaudited financial statements for the months and fiscal year-to-date periods ended May 31, 2017 - November 30, 2017 are attached hereto and made a part of these minutes.

3) **Received and approved investment reports and ratify related investment transactions: ACTION**

The Board of Managers received the investment reports and related investment transactions for the period mentioned below:

- a) Quarterly Investment Reports for fiscal quarters ended June 30, September 30, and December 31, 2017; and
- b) Annual Investment Report for fiscal year ended September 30, 2017;

MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018

Copies of Quarterly Investment Reports and Interim Investment Transactions Report for periods noted above are attached hereto and made a part of these minutes.

- 4) **Receive information on final rule adoption and implementation of the Texas Health and Human Services Commission’s HHSC Uniform Hospital Rate Increase program (UHRIP), Texas Administrative Code, §353.1301; UHRIP established for the purpose of increasing Medicaid managed care organization payments to certain classes of hospitals for services provided withing HHSC’s Medicaid management-care service delivery area - INFORMATION**

No further discussion or information provided.

Copy of the Adopted Rules Administration Texas Health and Human Services Commission Medicaid Managed Care Delivery System and Provider Payment Initiatives Government Code, §2001.036.

C. **Other Matters:**

- 1) **Receive information on Nueces County’s anticipated establishment of a mental health-related community collaborative during 2018 and discuss a probable County request of the Hospital District to fund all or part of the collaborative; collaborative pursuant to Texas Government Code, §539.0051 - INFORMATION**

Commissioner Pusley reported after several meetings and discussions regarding the establishment of a collaborative, it was determined that a study be conducted by the Meadows Foundation of Dallas.

Mr. Hipp provided an overall summary of discussions/meetings with members of the Behavioral Health Center of Nueces County to discuss and anticipated establishment of a mental-health

MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018

community collaborative during 2018 and probable County request of the Hospital District funding all or part of the collaborative.

Copy of Government Code Chapter 539 is attached hereto for information and made a part of these minutes.

- 2) **Receive information on the Centers for Medicare & Medicaid Services' extension of Medicaid 1115 Waiver-related Texas Healthcare Transformation and Quality Improvement Program sponsored by the Texas Health and Human Services Commission; extension period January 1, 2018 through September 30, 2022 - INFORMATION**

Mr. Hipp provided an update and after a brief discussion, the Board of Managers accepted the information as received. Copy of letter dated December 21, 2017 approving extension request from the Centers for Medicare & Medicaid Services (CMS) is attached hereto for information and made a part of these minutes.

- 3) **Adopt Board of Managers Resolution authorizing the filing of a lawsuit to recover damages suffered by Nueces County Hospital District as a result of the improper marketing, sale, and distribution of opioid medications and approval of professional services agreement for special counsel - ACTION**

There was no resolution presented at this time.

- 4) **Reappoint Ms. Rachel Canales as Director to CHRISTUS Spohn Health System Corporation's Board of Directors for three-year term commencing January 1, 2018 and ending December 31, 2020; receive Nueces County Commissioner's Court's nomination for consideration of appointment; adopt Court's nomination and appoint nominee for aforesaid term; Hospital District's appointment pursuant to CHRISTUS Spohn Health System Membership Agreement, Article III, Section 3.01(b) - ACTION**

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

On motion by Mr. Valls, seconded by Ms. Oliver, the Board of Managers approves and confirms Nueces County Commissioner Court's nomination of Ms. Rachel Canales to the CHRISTUS Spohn Health System Board of Directors for a three-year term ending December 31, 2020. **MOTION CARRIED.**

Copies of letters dated December 15, 2017 to Mr. Hipp and Ms. Canales from Nueces County Judge Neal are attached hereto for information and made a part of these minutes.

- 5) **Approve Second Amendment to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement relating to the Texas Health and Human Services commission-sponsored Uniform Hospital Rate Increase Program; Amendment extends required notice of termination with or without cause from 30 to 60 days; and authorize Administrator to execute Amendment - ACTION**

On motion by Mr. Valls, seconded by Mr. Daniel, the Board of Managers approved the Second Amendment to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement relating to the Texas Health and Human Services Commission-sponsored Uniform Hospital Rate Increase Program. Amendment extends required notice of termination from 30 to 60 days; and further authorizes the Administrator to execute the Amendment. **MOTION CARRIED.**

Copy of executed Second Amendment and Restated Membership Agreement with effective date of January 1, 2018 is attached hereto and made a part of these minutes.

- 6) **Receive update from CHRISTUS Spohn Health System Corporation relating to operation, construction, transition, planning, and/or demolition activities associated with September 10, 2014 Letter of Intent Regarding Material Alteration Notice: INFORMATION**

As noted below:

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

- a) Operations of Dr. Hector P. Garcia - Memorial Family Health Center located on Hospital District-owned property at 2606 Hospital Boulevard, Corpus Christi, Texas;
- b) Construction and/or demolition activities at CHRISTUS Spohn Hospital Corpus Christi-Shoreline located 600 Elizabeth Street, Corpus Christi;
- c) Transition of certain services from Hospital-owned hospital presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly know as Memorial Medical Center) located at 2606 Hospital Boulevard to CHRISTUS Spohn Hospital Corpus Christi-Shoreline located at 600 Elizabeth Street, both facility locations in Corpus Christi, Texas; and
- d) Planning orderly transition of services from Hospital District-owned Hospital presently known as CHRISTUS Spohn Hospital Corpus Christi-Memorial (formerly known as Memorial Medical Center) located at 2606 Hospital Boulevard to CHRISTUS Spohn Hospital Corpus Christi-Shoreline located at 600 Elizabeth Street, both facility locations in Corpus Christi, Texas.

D. **Indigent Care Provider's Briefing:**
None provided.

1) **Receive and discuss information from CHRISTUS Spohn Health System Corporation (Provider) relating to:**
INFORMATION

- a) Medical aid and hospital care provided to the Nueces Aid Program population consistent with the CHRISTUS Spohn Health System Corporation Membership Agreement and related matters; and

MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018

- b) Programs, projects, and/or activities at CHRISTUS Spohn Hospital Corpus Christi-Memorial and other Hospital District-owned facilities and related matters.

E. **Administrator's Briefing:**

1) **Next Scheduled Board of Managers and Board Committee meetings (all dates and times tentative): INFORMATION**

As noted below:

- a) Board Meeting: March 27, 2018; meeting start time to be determined; and
- b) Board Committee Meetings: March 27, 2018; meeting start times to be determined:
 - (1) Planning Committee;
 - (2) Finance Committee; and
 - (3) Quality Management Committee.

2) **Receive 2018 Board of Managers and Board Committee meeting schedule (all meetings, dates and times tentative) - INFORMATION**

Copy of the 2018 Board of Managers and Board Committee meeting schedule is attached hereto for information and made a part of these minutes.

6. **CLOSED MEETING:** is hereby given that the Board of Managers may elect to go into closed meeting session(s) at any time during the meeting to discuss any matter(s) listed on the agenda, when so authorized by the provisions of the Open Meetings Act, Texas Government Code, Chapter 551; the Texas Health and Safety Code, Chapter 161, §161.031, §161.0315, and §161.032; and the Texas Occupations Code, Chapters 151 and 160; and that the Board specifically expects to go into a closed session(s) on the matters listed below. In the event the Board elects to go into closed session(s) regarding an agenda

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

item(s), the section(s) of the Open Meetings Act authorizing the closed session will be publicly announced by the presiding officer. Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in closed sessions(s), then the final action, final decision, final vote shall be either; (a) in the open meeting covered by the Notice upon reconvening of the publ meeting; or (b) at a subsequent public meeting of the Board upon notice hereof, as the Board shall determine pursuant to applicable laws.

- A. Consult with attorneys on the status of litigation against opioid drug manufacturers, promoters, and distributors responsible for causing and contributing to an epidemic of opioid addiction in Nueces County, including but not limited to Purdue Pharma, Endo Pharmaceuticals, Janssen Pharmaceuticals, Insys Therapeutics, the McKesson Corporation, Cardinal Health and AmerisourceBergen for violations of the DTPA, fraud, unjust enrichment, negligence, violations of the federal Controlled Substances Act, civil conspiracy and any other related causes of actions, and related matters; consultation pursuant to Open Meetings Act, Texas Government code, §551.071.

EXECUTIVE CLOSED SESSION

Let the record show that there was no executive closed session held during this meeting.

7. **OPEN MEETING**
Not applicable.
8. Consider action on item(s) covered during Closed Meeting (Action as needed)
No action required.
9. **Adjourn**
There being no further business, the meeting adjourned at 1:10 p.m.

**MINUTES
BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
REGULAR SESSION
February 13, 2018**

PRESIDING OFFICER:

Van Huseman, Chairman
Board of Managers
Nueces County Hospital District

ATTEST:

Jonny F. Hipp, Secretary
Board of Managers
Nueces County Hospital District

Wm. DeWitt Alsup, General Counsel
Nueces County Hospital District